



FEDERAL RESERVE SYSTEM

Agency Information Collection Activities: Announcement of Board Approval under Delegated Authority and Submission to OMB

AGENCY: Board of Governors of the Federal Reserve System.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, without revision, the Interagency Guidance on Managing Compliance and Reputation Risks for Reverse Mortgage Products (FR 4029; OMB No. 7100-0330).

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC, 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, N.W., Washington, DC 20503 or by fax to (202) 395-6974.

SUPPLEMENTARY INFORMATION: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instrument(s) are placed

into OMB's public docket files. The Board may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

Final approval under OMB delegated authority of the extension for three years, without revision, of the following information collection:

Report title: Interagency Guidance on Managing Compliance and Reputation Risks for Reverse Mortgage Products.

Agency form number: FR 4029.

OMB control number: 7100-0330.

Frequency: Annual.

Respondents: State member banks that originate proprietary reverse mortgages.

Estimated number of respondents: Implementation of policies and procedures, 1 respondent; and Review and maintenance of policies and procedures, 15 respondents.

Estimated average hours per response: Implementation of policies and procedures, 40 hours; and Review and maintenance of policies and procedures, 8 hours.

Estimated annual burden hours: Implementation of policies and procedures, 40 hours; and Review and maintenance of policies and procedures, 120 hours.

General description of report: Reverse mortgages are home-secured loans typically offered to elderly consumers. Financial institutions currently provide two types of reverse mortgage products: the lenders' own proprietary reverse mortgage products and reverse mortgages insured by the U.S. Department of Housing and Urban Development's Federal Housing Administration (FHA). Reverse mortgage loans insured by the FHA are

made pursuant to the guidelines and rules established by the U.S. Department of Housing and Urban Development's Home Equity Conversion Mortgage (HECM) program.¹

HECM loans and proprietary reverse mortgages are also subject to consumer financial protection laws and regulations, *e.g.*, the regulations that implement laws such as the Real Estate Settlement Procedures Act (RESPA) and the Truth in Lending Act (TILA).

In August 2010, the Federal Financial Institutions Examination Council (FFIEC), on behalf of its member agencies,² published a *Federal Register* notice adopting supervisory guidance titled "Reverse Mortgage Products: Guidance for Managing Compliance and Reputation Risks."³ The guidance is designed to help financial institutions with risk management and assist financial institutions' efforts to ensure that their reverse mortgage lending practices adequately address consumer compliance and reputation risks.

The reverse mortgage guidance discusses the reporting, recordkeeping, and disclosures required by federal laws and regulations and also discusses consumer disclosures that financial institutions typically provide as a standard business practice. Certain portions of the guidance are "information collections" subject to the PRA's requirements.

Legal authorization and confidentiality: The information collection is authorized pursuant to section 11 of the Federal Reserve Act, 12 U.S.C. 248 (state member banks); sections 25 and 25A of the Federal Reserve Act, 12 U.S.C. 625 (Edge and Agreement corporations); section 5 of the Bank Holding Company Act of 1956, 12 U.S.C. 1844

¹ See 12 U.S.C. 1715z-20; 24 CFR part 206.

² The Federal Reserve, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision.

³ 75 FR 50801.

(bank holding companies and, in conjunction with section 8 of the International Banking Act, 12 U.S.C. 3106, foreign banking organizations); section 7(c) of the International Banking Act of 1978, 12 U.S.C. 3105(c) (branches and agencies of foreign banks); and section 10 of the Home Owners' Loan Act, 12 U.S.C. 1467a, (savings and loan holding companies). This guidance is voluntary.

Because the documentation required by the guidance is maintained by each institution, the Freedom of Information Act (FOIA) would only be implicated if the Federal Reserve's examiners retained a copy of this information as part of an examination or as part of its supervision of a financial institution. However, records obtained as a part of an examination or supervision of a financial institution are exempt from disclosure under FOIA exemption (b)(8) (5 U.S.C. 552(b)(8)). In addition, the information may also be kept confidential under exemption 4 of the FOIA which protects commercial or financial information obtained from a person that is privileged or confidential (5 U.S.C. 552(b)(4)).

Current actions: On July 3, 2018, the Board published a notice in the Federal Register (83 FR 31146) requesting public comment for 60 days on the extension, without revision, of the Interagency Guidance on Managing Compliance and Reputation Risks for Reverse Mortgage Products. The comment period for this notice expired on September 4, 2018. The Board did not receive any comments

Board of Governors of the Federal Reserve System, September 12, 2018.

Michele Taylor Fennell,

Assistant Secretary of the Board.

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